



**SUSTAINABLE
INFRASTRUCTURE
PARTNERSHIP**



UPU | UNIVERSAL
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UNION



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FRANCE

**INFRASTRUCTURE
FOR CIRCULARITY
IN THE FRENCH
POSTAL SECTOR**



2024

The International Good Practice Principles for Sustainable Infrastructure

set out ten guiding principles that policymakers can follow to help integrate sustainability into infrastructure planning and delivery. They are focused on integrated approaches and systems-level interventions that governments can make to create an enabling environment for sustainable infrastructure. This case study illustrates specific aspects of one principle in a country context, showing good practices and challenges, and considering potential for advancement or replicability.

GUIDING PRINCIPLE 5: RESOURCE EFFICIENCY AND CIRCULARITY

Circularity and the use of sustainable technologies and construction materials should be planned and designed into infrastructure systems to minimize their footprints and reduce emissions, waste and other pollutants.

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BACKGROUND

France has been at the forefront of environmental and sustainability initiatives at both the European and global levels. The country played a pivotal role in the 2015 Paris Agreement and other environmental multilateral initiatives (Stockholm Environment Institute 2020). Spearheading on a green transition, France aims to cut its greenhouse gas emissions (GHG) by 55 per cent by 2030 compared to 1990 levels (Government of France 2023). This represents an ambitious target that will require significant efforts, looking beyond energy-focused strategies to embrace a more holistic approach that includes circular economy practices. Focusing exclusively on energy efficiency and transitioning to renewable energy sources tackles only 55 per cent of worldwide GHG emissions; embracing broader circular methods can help diminish a considerable amount of the residual 45 per cent (Ellen MacArthur Foundation 2020).

In this context, France has adopted the French Circular Economy Roadmap, which encompasses 50 measures aimed at achieving a 100 per cent circular economy (France, Ministry for Ecological and Solidary Transition¹ 2018). The roadmap has four priority areas: better production, better consumption, better waste management and engaging all stakeholders (France 2018). Notably, three of the roadmap's priority areas – better consumption, better waste management and engaging all stakeholders – are directly relevant to the postal and logistics sectors and the provision of their infrastructure. These sectors, now more than ever, are positioned at the forefront of the transition towards a circular economy. Their growing influence, driven by the boom in e-commerce and parcel delivery, places an increasing emphasis on the need to green their operations and leverage their infrastructure for a circular economy, which is a crucial step in realizing the roadmap's vision.

¹ The ministry is now called the Ministry of Ecological Transition.

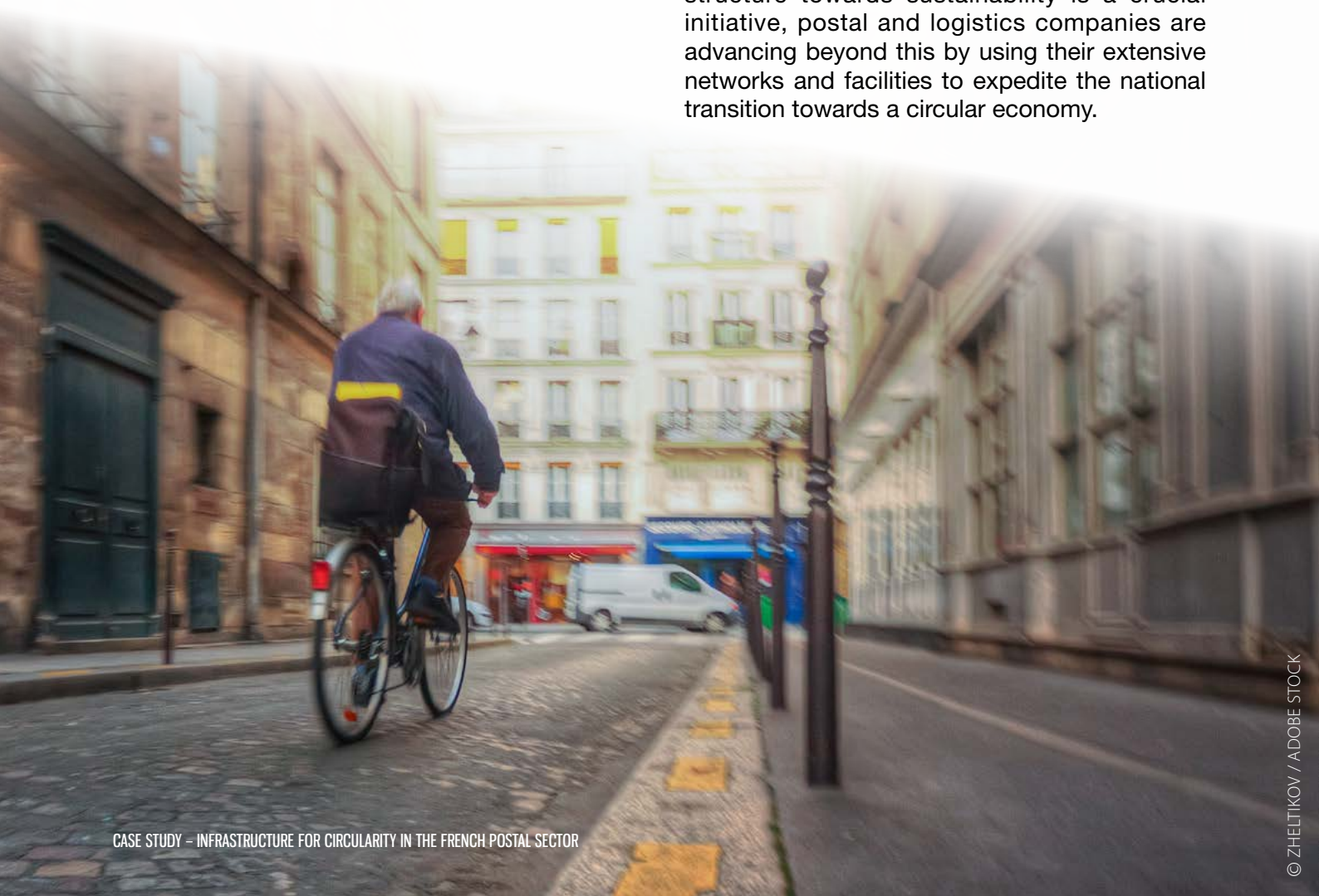
In 2023, France rose to the 13th position in the Logistics Performance Index, out of 139 evaluated countries (World Bank 2023). This progression denotes a strong national logistics sector and its importance for the national economy, especially in a country with a significant presence in global trade. In fact, the sector has shown dynamic growth, with the number of companies more than doubling in five years. This growth is driven mainly by the rise of e-commerce and home delivery services. In a similar trend, the postal sector in France has experienced significant growth in the parcel delivery segment, driven largely by the surge in e-commerce, according to the French Regulatory Authority for Electronic Communications and Posts (2022). The substantial growth of France's postal and logistics sectors underscores the pivotal role of their infrastructure in the transition towards a circular economy. This infrastructure, evolving and expanding in response to dynamic market demands, is becoming a key component in influencing and realizing the priority areas of the national roadmap, making its green transformation a significant part of France's journey to a sustainable, circular economy.

A SUSTAINABLE TRANSFORMATION

The evolution of France's logistics and postal operators sets a foundational stage for broader infrastructure and an economic shift encompassing various sectors.

Postal and logistics operations are essential in offering infrastructure services to the public. As a network, the operations enable the physical distribution of goods, documents and information, thereby bridging geographical divides and connecting individuals, businesses and government entities. This network and its infrastructure – postal offices, logistics hubs, distribution centers, etc. – serves as a fundamental backbone for communication and commerce. In addition to these traditional services, postal and logistics operations are increasingly expanding their scope to include a variety of services that promote better consumption practices by consumers, resource efficiency and more effective waste management.

While enhancing their operations and infrastructure towards sustainability is a crucial initiative, postal and logistics companies are advancing beyond this by using their extensive networks and facilities to expedite the national transition towards a circular economy.



CIRCULAR ECONOMY IN POSTAL OPERATIONS

Unlike other sectors, entities within the logistics and postal networks are moving away from traditional linear models. One notable example of pioneering efforts towards a circular economy is La Poste Group. As a publicly owned and a mission-driven² company in charge of the Postal Universal service obligation, it has fully adopted an integrated circularity approach to transform its operations at all stages of its processes, leverage its infrastructure to influence the wider value chain, while at the same time enabling service diversification that brings new revenue streams to the company. The group's efforts demonstrate how a major player in these evolving sectors can lead the way in integrating sustainable practices, thereby influencing the entire value chain towards a more environmentally responsible and resource-efficient model.

One of the pivotal aspects of La Poste Group's circular economy policy is its focus on the responsible management of resources at every organizational level. Central to this policy is the ambitious goal to reuse or recycle 75 per cent of its waste and to repurpose 100 per cent of its reusable Information Technology (IT) equipment, along with integrating 50 per cent of recyclable material by 2025 and 60 per cent by 2030 (La Poste Group 2020). It also supports various solidarity initiatives that aim to encourage the reuse of resources (La Poste Group 2022a). For instance, more than 30,000 computers, cell phones and tablets were destined for reuse outside of the group in 2022 (La Poste Group 2022b), while the use of spare parts of mail-sorting machines for the repairing of other machines brought savings. Additionally, an internal marketplace was created for the reuse of equipment nationwide, exemplifying resource efficiency by reallocating sorting machines and other assets where they are needed most (La Poste Group 2024a).

² This is a status under the French Pact law, setting new forms of enterprise highlighted by their business model and held together by the principles of economic performance as well as contribution to the common good.



DELIVERY ELECTRIC VEHICLE CHARGING VIA SOLAR PANELS

In its own operations, La Poste Group's ensures that parcel and mail packaging incorporate a significant percentage of recycled materials, offering fully recyclable options and aiming for zero non-reusable plastic packaging (Avignon 2021a; La Poste Group 2022a). For its buildings, the company is also striving to incorporate recycled materials for the construction of infrastructure (La Poste Group 2024b). Meanwhile, its influence on the wider value chain goes from offering advice to its e-retailer customers on optimizing package designs to reduce empty space and raw material consumption, up to having a certification label. In fact, the company is actively supporting the development of an SBTi³ type of methodology to measure resource efficiency that can lead to the creation of a third-party certification for helping other operators and companies from other countries.

³ The Science Based Targets initiative (SBTi) for climate is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). The SBTi aims to drive ambitious climate action in the private sector by enabling companies to set science-based greenhouse gas emissions reduction targets.



La Poste Group's pioneering efforts have established a benchmark for sustainable practices within the logistics and postal sectors. This benchmarking not only demonstrates the feasibility of such models but also inspires other sectors to pursue similar transformations, thus multiplying the environmental and economic benefits across the economy.

These good practices underscore the scope for government efforts in scaling such initiatives. Government backing, in the form of funding, incentives and regulatory support, can be key not only for expanding the reach of these projects but also for encouraging other sectors to adopt an integrated approach towards a circular economy.

INFRASTRUCTURE FOR CIRCULARITY

Circular infrastructure, as an enabler of circular economy activities, such as re-using, recycling or the recovery of waste, has gained prominence at the international level (Global Infrastructure Hub 2021). For the logistics and postal sector, circular infrastructure provides essential services for the population and economy, while accelerating the transition towards circularity.

The public mandate to provide universal service and La Poste Group's extensive network, stretching across the entire country, offers a unique advantage for the transportation and delivery of secondhand products, for example. This extensive reach ensures low-cost delivery options, crucial for the secondhand market where product values are inherently lower than those of new items.

La Poste Group's practices in reverse logistics play a critical role in its circular economy endeavors. By leveraging its extensive logistics network, the group is using its circular infrastructure to enable the resource recovery and recycling of office waste through dedicated subsidiaries like Recygo and Nouvelle Attitude for more than a decade now (La Poste Group 2022c).



In 2022, almost 111,000 metric tonnes of materials were recovered by these subsidiaries, with 98 per cent being recovered for reuse or recycling. Its offices are also actively serving multiple purposes for the collection of materials for recycling or reuse.

Similarly, La Poste is collecting used packaging from professional customers and aiding in the recycling of various materials, thereby creating a closed-loop system that minimizes waste and maximizes resource use (La Poste Group 2022d). Additionally, it is supporting new consumption and production models, involving the promotion of second-hand purchases, reuse, repair and recycling, as well as facilitating the receipt and return of goods at pick up points or letterboxes (Avignon 2021b). On sustainable consumption, La Poste France's "Ecological Score" tool,⁴ integrated into its e-commerce site, enables customers to assess and improve the environmental impact of their shipping choices through insights and tailored advice on stages like packaging and delivery, thus fostering sustainable practices and informed decision-making (UPU 2022).

In tandem, wider enabling conditions are also critical to achieving the full potential across the sector. For instance, the postal sector boasts one of the largest fleets of electric vehicles; yet, the challenge lies in the underdeveloped second-hand market for these vehicles, particularly within professional corporate fleets. In the case of La Poste Group, its vehicle fleet has largely transitioned to electric bikes, which are later refurbished and sold to individuals, distributors and other companies to ensure responsible life cycle management (La Poste Group 2024d). However, to scale up this type of initiative across the sector, there is a pressing need for a more organized marketplace, enhanced visibility and incentives to bolster investments in electric vehicle fleets, ensuring their sustainability and economic viability.

With the aim of further supporting sustainability goals, La Poste Group has committed more than half a million Euros to decarbonize urban logistics hubs, urban distribution centres and urban logistics areas in city centers, throughout France. The group aims to invest EUR 200 million by 2026 in renovating its existing real-estate assets or acquiring new premises (Baker 2022). These efforts will help "green" the infrastructure while promoting resource efficiency by avoiding the construction of new developments. Initiatives like this one emphasize the importance of integrating logistics functions into city planning, allocating urban spaces for essential logistics infrastructure and services in the updates of territorial cohesion schemes, local urban plans sharing facilities and urban development initiatives.



4 See <https://www.laposte.fr/score-ecologique>.

REPLICABILITY

The successful implementation of circular economy practices within France's logistics and postal services, underscored by significant infrastructure advancements, offers a scalable model for countries aiming to weave these principles into their own sectors and foundational structures. Key to this model is the development of both physical and digital infrastructures that facilitate efficient resource management, waste reduction and sustainable logistics.

Furthermore, the broader adoption of such integrated strategies across France's critical sectors — including energy, waste management, and manufacturing — has been propelled by substantial investments in sustainable infrastructure and technological innovations. This infrastructure-focused approach, coupled with leadership from various institutions, drives a comprehensive sectoral transformation towards sustainable practices.

Comparing France's infrastructure-led advancements with global benchmarks reveals its position as a leader in the transition towards a circular economy. This leadership role is pivotal; it not only accelerates France's own transition to greener practices but also provides a robust, infrastructure-centric example for other nations to emulate.

KEY INSIGHTS



- ▶ Adopting a Nationwide Circular Economy Roadmap kickstarted a cascading transformational effect for the national economy, influencing major sectors.
- ▶ La Poste Group's transformation, particularly in its circular economy policy, demonstrates the importance of integrating sustainability at every organizational level.
- ▶ Circular infrastructure has played a key role in easing a broader shift towards circularity, highlighting the relevance of investing in infrastructure to support innovative circular economy activities.





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